



April 6, 2007

ENGROSSED HOUSE BILL No. 1173

DIGEST OF HB 1173 (Updated April 5, 2007 11:15 am - DI 73)

Citations Affected: IC 10-12.

Synopsis: State police pension benefits. Provides a COLA in each of the next two state fiscal years to retired or disabled members of the state police 1987 benefit system. Changes the manner in which the supplemental benefit for retired or disabled members of the state police pre-1987 benefit system is calculated.

Effective: July 1, 2007.

Cochran

(SENATE SPONSORS — KRUSE, DEIG, SKINNER)

January 11, 2007, read first time and referred to Committee on Ways and Means.
February 20, 2007, reported — Do Pass.
February 23, 2007, read second time, ordered engrossed. Engrossed.
February 26, 2007, read third time, passed. Yeas 98, nays 0.

SENATE ACTION

March 5, 2007, read first time and referred to Committee on Pensions and Labor.
March 29, 2007, reported favorably — Do Pass; reassigned to Committee on Appropriations.
April 5, 2007, amended, reported favorably — Do Pass.

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EH 1173—LS 7394/DI 116+



April 6, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1173

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 10-12-4-9 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2007]: **Sec. 9. (a) The basic monthly pension amount (plus**
4 **postretirement increases) payable after June 30, 2007, to an**
5 **employee beneficiary of the state police 1987 benefit system who**
6 **retired or was disabled after June 30, 1987, and before July 2,**
7 **2005, shall be increased by the lesser of:**
8 **(1) one percent (1%) of the employee beneficiary's monthly**
9 **benefit (the basic monthly pension amount calculated under**
10 **section 7 of this chapter plus postretirement increases); or**
11 **(2) one percent (1%) of the maximum basic monthly pension**
12 **amount payable to a retired state police employee in the grade**
13 **of trooper as of July 1, 2007, as calculated under section 7 of**
14 **this chapter.**
15 **(b) The increases specified in this section:**
16 **(1) shall be based on the date of the employee beneficiary's**
17 **latest retirement or disability;**

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(2) do not apply to the benefits payable in a lump sum; and

(3) are in addition to any other increase provided by law.

SECTION 2. IC 10-12-4-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) The basic monthly pension amount (plus postretirement increases) payable after June 30, 2008, to an employee beneficiary of the state police 1987 benefit system who retired or was disabled after June 30, 1987, and before July 2, 2006, shall be increased by the lesser of:

(1) one percent (1%) of the employee beneficiary's monthly benefit (the basic monthly pension amount calculated under section 7 of this chapter plus postretirement increases); or

(2) one percent (1%) of the maximum basic monthly pension amount payable to a retired state police employee in the grade of trooper as of July 1, 2007, as calculated under section 7 of this chapter.

(b) The increases specified in this section:

(1) shall be based on the date of the employee beneficiary's latest retirement or disability;

(2) do not apply to the benefits payable in a lump sum; and

(3) are in addition to any other increase provided by law.

SECTION 3. IC 10-12-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The pension advisory board that administers the pension under IC 10-12-3 shall direct and supervise the supplemental benefits provided in this chapter.

(b) The pension advisory board shall annually:

(1) provide a schedule showing the number of retirees receiving pension benefits under IC 10-12-3; and

(2) add to the regular pension benefit or annuity a supplemental benefit equal to fifty percent (50%) of the difference between:

(A) the retiree's pension amount; and

(B) the pension benefits received by an employee retiring from the department after July 1, 1970, with twenty (20) years of active service.

described in subsection (c).

(c) The supplemental benefit referred to in subsection (b)(2) is equal to fifty percent (50%) of:

(1) for an employee beneficiary who retires after June 30, 1972, the difference between:

(A) the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service; and

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1 **(B) the lesser of:**

2 (i) the pension benefit received by the employee
3 beneficiary; or

4 (ii) the pension benefit received by an employee retiring
5 from the department with twenty (20) years of active
6 service; or the total increase occurring after the
7 employee

8 **(2) for an employee beneficiary who retired before July 1,**
9 **1972, the difference between:**

10 (A) the pension benefits to be received by an employee
11 retiring from the department with twenty (20) years of
12 active service; and

13 **(B) the lesser of:**

14 (i) the pension benefit received by the employee
15 beneficiary; or

16 (ii) the pension benefit received by an employee retiring
17 from the department on July 1, 1972, with twenty (20)
18 years of active service.

19 SECTION 4. IC 10-12-5-4 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. As an incentive to all
21 employees of the department, the supplemental pension benefits of this
22 chapter shall be increased by more than the fifty percent (50%)
23 increase provided in section 3 of this chapter, at the rate of a five
24 percent (5%) per year **increase** for each year of active service over
25 twenty (20) years up to thirty (30) years of service, **as calculated in**
26 **subsection (c)(1) or (c)(2).** to provide that retired employees with
27 thirty (30) years of service are entitled to one hundred percent (100%)
28 of the regular pension benefits of employees who retire with twenty
29 (20) years of active service after July 1, 1970.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1173, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 23, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1173, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS and be reassigned to the Senate Committee on Appropriations.

(Reference is made to House Bill 1173 as printed February 20, 2007.)

KRUSE, Chairperson

Committee Vote: Yeas 7, Nays 0.

SENATE MOTION

Madam President: I move that Senator Skinner be added as cosponsor of Engrossed House Bill 1173.

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COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1173, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 5, after "beneficiary" insert "**of the state police 1987 benefit system**".

Page 1, line 12, delete "trooper," and insert "**trooper as of July 1, 2007,**".

Page 1, after line 42, begin a new paragraph and insert:

"SECTION 2.IC 10-12-4-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 10. (a) The basic monthly pension amount (plus postretirement increases) payable after June 30, 2008, to an employee beneficiary of the state police 1987 benefit system who retired or was disabled after June 30, 1987, and before July 2, 2006, shall be increased by the lesser of:**

- (1) one percent (1%) of the employee beneficiary's monthly benefit (the basic monthly pension amount calculated under section 7 of this chapter plus postretirement increases); or**
- (2) one percent (1%) of the maximum basic monthly pension amount payable to a retired state police employee in the grade of trooper as of July 1, 2007, as calculated under section 7 of this chapter.**

(b) The increases specified in this section:

- (1) shall be based on the date of the employee beneficiary's latest retirement or disability;**
- (2) do not apply to the benefits payable in a lump sum; and**
- (3) are in addition to any other increase provided by law."**

Page 2, line 18, after "1972," insert "**the difference between:**

(A) the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service; and

(B) the lesser of:

- (i) the pension benefit received by the employee beneficiary; or**
- (ii) the pension benefit received by an employee retiring from the department with twenty (20) years of active service; or"**

Page 2, delete lines 19 through 21.

Page 2, line 37, after "rate of" insert "**a**".

Page 2, line 38, after "per year" insert "**increase**".

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Page 2, line 39, after "service," insert "**as calculated in subsection (c)(1) or (c)(2).**".

Page 2, line 39, strike "to provide that retired employees with".

Page 2, strike line 40.

Page 2, line 41, after "of" delete ";".

Page 2, line 41, strike "of".

Delete page 3.

and when so amended that said bill do pass.

(Reference is to EHB 1173 as printed March 30, 2007.)

MEEKS, Chairperson

Committee Vote: Yeas 11, Nays 0.

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